

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**Final Examination, Dec.-2021**

Course: International Trade II  
Semester: V

Program: BA ( Economics Hons )

Time: 03 hrs.  
Max. Marks: 100

**Instructions:**

**There are four sections. All are compulsory.**

**SECTION A (Attempt all) :True and False ( Give one or two lines answer as well)**

S. No.		Marks	CO
Q 1	The Indian labor and land laws are barriers to FDI.	2	CO2
Q 2	Trade in services are included in trade a/c.	2	CO2
Q 3	Negative inflation rate is a sign of good health of economy.	2	CO2
Q 4	Trade-Related Intellectual Property Rights( TRIPs) agreement of World Trade Organization ( WTO) promotes the monopolization .	2	CO3
Q 5	Interest paid on commercial borrowings from foreign banks is included in capital a/c of Balance of Payment ( BOP) a/c.	2	CO2
Q 6	There is no trade diversion if a country opts a multilateral route for opening up the economy .	2	CO3
Q7	India always has the trade a/c surplus .	2	CO2
Q8	India is a member of ASEAN group .	2	CO3
Q9	Fixed exchange rate regime is good at the initial level of economic development .	2	CO1
Q10	Economies of scale and product differentiation are bases of new trade theories.	2	CO2

**SECTION B : Write short-notes**

Q1	Balance of payment a/c	5	CO2
Q2	Institutionalized Borrowings	5	CO2
Q3	Remittances	5	CO2

<b>Q4</b>	External Economies of Scale and Their Role in Trade	<b>5</b>	<b>CO3</b>
<b>SECTION C</b>			
Q 1	What are the advantages and disadvantages of fixed and flexible exchange rates? Critically explain in the light of Indian Experiences.	<b>10</b>	<b>CO1</b>
Q2	Agriculture sector is the most distorted sector . How does the Agreement on Agriculture of WTO attempts to reduce the distortion ? Critically discuss.	<b>10</b>	<b>CO3</b>
Q3	How is the exchange rate determined in the short-run? Explain it in the light of interest parity theorem.	<b>10</b>	<b>CO1</b>
<b>SECTION-D</b>			
Q 1	There are two routes to Globalization - Multilateral under WTO and regional under regional trading bloc . Analyze both routes. Which route would you recommend for a country like India ? Discuss.	<b>15</b>	<b>CO3</b>
Q2	India has opted out of Regional Comprehensive Economic Partnership ( RCEP) agreement. Carry-out the cost-benefit analysis of this decision .	<b>15</b>	<b>CO3</b>

ANSWER